

Economic Impact Statement
LSA Document #07-647

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

This proposed Medicaid rule reduces the provider assessment percentage from six percent (6%) to five and one-half percent (5 1/2%) of provider revenues for community residential facilities for the developmentally disabled (CRF/DD) and nonstate owned and operated intermediate care facilities for the mentally retarded (ICF/MR). This rule amendment is necessary in order to conform with federal statutory changes and regulations as published in the Federal Register at 72 FR 13726 (March 23, 2007).

Impact on Small Business**1. An estimate of the number of small businesses, classified by industry section, that will be subject to the proposed rule.**

[IC 4-22-2.1-4](#) defines a small business as any person, firm, corporation, limited liability company, partnership, or association that:

- (1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana;
- (2) is independently owned and operated;
- (3) employs one hundred (100) or fewer full-time employees; and
- (4) has gross annual receipts of five million dollars (\$5,000,000) or less.

The OMPP estimates that 163 group homes out of a total of 524 group homes that are Medicaid certified meet the criteria of [IC 4-22-2.1-4](#) as a small business. These 163 group homes are part of 37 chain organizations.

2. An estimate of the average annual reporting, record keeping, and other administrative costs that small business will incur to comply with the proposed rule.

The OMPP estimates that small businesses will incur no additional costs to comply with this proposed rule amendment.

3. An estimate of the total annual economic impact that compliance will have on small businesses subject to the rule.

Since no small business will incur any additional cost to comply with this rule amendment, there is no annual economic impact on small businesses.

4. A statement justifying any requirement or cost that is imposed by the rule and not expressly required by law. The statement must reference any data, studies, or analyses relied upon by the agency in determining imposition of the requirement or cost is necessary.

The rule amendment imposes no additional cost or requirements on small businesses.

5. Any regulatory flexibility analysis that considers any less intrusive or less costly alternative methods of achieving the same purpose.

Other factors considered:

A. Establishment of less stringent compliance or reporting requirements for small businesses.

The rule amendment has no impact on reporting requirements for small businesses.

B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

The rule amendment has no impact on schedules or deadlines for compliance or reporting for small businesses.

C. Consolidation or simplification of compliance or reporting requirements for small businesses.

The rule amendment has no impact on schedules or deadlines for compliance or reporting for small businesses.

D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.

The rule amendment has no impact on performance standards for small businesses.

E. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.

The rule amendment imposes no additional cost or requirements on small businesses.

Conclusion

The agency estimates that there will be no annual economic impact that compliance with the proposed rule will have on small businesses.

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